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PLAN FOR THE MOBILISATION OF THE AVAILABLE LABOUR FORCES IN COUNTRIES IN THE PROCESS OF DEVELOPMENT

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B.4

PLAN FOR THE MOBILISATION OF THE AVAILABLE LABOUR FORCES IN COUNTRIES IN THE PROCESS OF DEVELOPMENT

by G. ARDANT, Inspector General of Finance.

Present methods of assistance are proof of their own ineffectiveness. It is only by facing up to their problems themselves that developing countries will solve them. In view of the huge extent of their needs, however, they can only succeed if they draw on a vast mass of unused resources. But this mass exists: it is under-employment. The use of this immense potential resource, i.e. the mobilisation of the available labour forces, is an action which the science of economics not only demonstrates as feasible, it also indicates the method to be used. The results of the analysis are confirmed by experiments which the author has been able to follow. These experiments have been on too small a scale but it still is possible to reach some general conclusions. This plan of action, which the industrialised countries must facilitate, can be the most powerful contribution to the elimination of under-development.

I. BASIS OF THE PROPOSED SYSTEM

A. THE UNDER-DEVELOPED COUNTRIES ARE, ABOVE ALL, UNDER-EMPLOYED COUNTRIES

If it were not for the payment of unemployment benefits and through the reading of statistics, this under-employment, because of its very nature, tends to be forgotten.

To arrive at an idea of its extent it is insufficient merely to add together the European type of unemployed proper, i.e. workmen who have lost their jobs and those who have never had regular work, i.e. a large proportion of the inhabitants of the shanty towns. The main mass of the "unoccupied" consists of seasonally unemployed agricultural labourers who only have about 100 days' work a year with proportionate income. This is not all; to this visible unemployment must be added the disguised unemployment observed by agronomists and sociologists in the Mediterranean areas as well as in Asia and South America.

The best method of measurement consists therefore of comparing the existing labour force with that which should be required, taking into account the methods in use, for the actual production achieved.

When such inquiries have been carried out it has been discovered that the effective employment is barely higher - and sometimes lower - than 50% of the available labour force in country districts. F.A.O. experts have evaluated effective employment at:

55% in Spain
45% in Portugal
55% in Morocco
36% in Southern Italy, etc.

Other inquiries show a similar situation in Asia. It was estimated in India, in 1954, that, on average, the agricultural population worked for 218 days a year; in Pakistan the excess of manpower in agriculture was evaluated at 56%; in the Philippines half the workers on the land had 75 days' work a year, etc.

Similar phenomena have been observed in Latin America.

Disguised unemployment also exists in industry, where it shows up as low productivity, half, a third and sometimes less than European productivity; it also appears in a third condition, in which it is shown by the very large number of small businesses so characteristic of the under-developed world.

B. THE ELIMINATION OF UNDER-EMPLOYMENT

This would allow considerably increased capital investment. It is possible to evaluate at several hundred million the number of men who could devote at least a hundred days' work a year to capital investment. Even if it were only of a low level of efficiency, the value of this work would represent double all the money spent on what is known as "aid to insufficiently developed countries".

It would abolish the resistance which productivity policies inevitably encounter from trades unions, the majority of workmen, peasants, employers and even governments themselves which, because of under-employment, have had to prescribe the least productive methods.

It would be a stabilising social, and therefore political, factor; it is a fact that areas of marked under-employment are regular trouble zones with frequent revolts and consequent instability.

The first goal of any policy of economic development must be to put this mass of unemployed to work on capital investment on a large scale.

II. BRIEF DESCRIPTION OF THE PROPOSED SYSTEM

The obvious solution comes up against a series of objections put about in the name of the science of economics, material and administrative techniques and even sociological conditions. However, more detailed scientific analysis shows how each of these objections can be overcome.

A. The main objection, an economic one, can be summed up as follows:

The wages of the unemployed given work under the system will represent an enormous additional purchasing power which, pending the fruits of the capital investments, will not be complemented by an increase in consumer goods. This unbalance means inflation.

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It is, however, possible to escape this danger if the new workers receive no salaries - it is feasible to avoid paying them salaries if they work for their own profit - if the peasant improves his land or if the people of a village clear, retimber or irrigate their common land. Encouragement alone is then sufficient, the gratuitous supply of materials (e.g. cement and saplings) together with a relatively small outright subsidy.

This method is practicable because, in all countries in the process of development, there is a vast amount of work which can be accomplished by the peasants themselves, such as stone clearing, weeding, clearance of uncultivated land, protection against erosion, and that mass of capital investment covered by small and large water utilisation projects.

B. By the same means, a second objection is countered, i.e. the lack of technicians. Only simple work is concerned, which the peasants themselves can perform without modern equipment and without technicians.

C. The simplicity of the work allows the use of local administrative staff, from amongst those already performing such tasks; the very fact that the subsidy is in kind or in the nature of a lump sum considerably simplifies control. This presupposes very extensive decentralisation; i.e. a reaction against the "bureaucratic centralisation" so well known in all countries and in all systems of government.

D. It goes without saying that this method would not allow the implementation of all the capital investment projects required by an under-developed country. Although the carefully planned large scale capital investments such as large dams, modern factories, etc. would require modern equipment and expert technical assistance, there would still be a vast number of small schemes which could be decentralised and carried out by the villagers to their own benefit and using local resources.

E. The direct result of an economic analysis, this solution also follows sociological precepts: it aims to react against the system of two separate economies and against the unconcern of the rural masses who refuse to take any interest in progress brought to them from outside and which they feel is none of their business. By this system it is their own initiative which is applied towards known goals which are easy to understand, so that it is this initiative which is the starting point of their own development.

F. Under certain social systems, in which all the land is owned by the big estates or where it is rented in such a way that the farmers cannot benefit from their efforts at improvement, this method may be difficult to put into operation. In such a case the mobilisation of the labour force will have the important result of making the need for social reform evident and of showing up the absurdity of a system which prevents any progress in productivity.

G. While avoiding the creation or accentuation of unbalance between purchasing power and goods available, efforts must be made as soon as possible to increase the quantity of goods produced. This is the equivalent of saying that the work carried out must consist exclusively of real capital investment, i.e. it must be aimed at creating production capability; a simple criterion can be applied; the work must be the creator of employment not only straight away but also in the future. Thus, work on town-planning is rejected but irrigation work is accepted.

H. Real capital investment need not necessarily only be material. Where the mass of unemployed is unsuited to land improvement, other methods may be envisaged. For example, trade training centres could be set up near shanty towns, in which training would be given to the future bricklayers who will build the factories and to the future workmen who will work in them; future foremen and overseers would be selected and other vocational abilities would be detected.

I. One of the difficulties of putting the unemployed to work is the unbalance between the extra requirements of hungry men and the foodstuffs available. Economic analysis suggests making available foodstuffs surplus to requirements elsewhere as a means of facilitating the starting of work. Such a procedure is not essential, but is at least desirable.

Various experiments confirm this analysis, even down to its details.

III. EXPERIMENTS CARRIED OUT

I will only mention the experiment carried out by the Chinese Popular Republic as a reminder since I have not personally observed it and because some may fear its connection with the whole economic system of that country. It is nonetheless an undoubted fact that it is to the mobilisation of previously unused labour forces that China mainly owes the economic progress it has been able to achieve.

Neither will I deal with the experiment of the community development programmes practised in many countries, notably India on a particularly large scale, because they had misconstrued the conclusions of the economic analysis, by giving great importance to social work , such as building halls for meetings and providing sports fields, which result neither in additional production nor in future employment. The Indian government itself has recognised this error.

In North Africa, the schemes implemented are worthy of being called scientific experiments. Although the author of these words has never ceased to encourage the governments concerned, it has not only been with the object of meeting their own problems, but also in order that lessons of wider importance might be learnt.

Three experiments have been carried out.

In Morocco, a preliminary trial was carried out in a small part of two provinces (MARRAKESH and AGADIR). A larger scale effort has been in

progress since 1961 under the name of "National improvement" with between 70,000 and 80,000 men employed.

In Tunisia, since 1960, all the unemployed are theoretically offered work and, at peak periods, there are about 200,000 men at work on construction projects.

Main lessons learnt from these experiments

A. No compulsion has been necessary. The work is voluntary and, in certain provinces in Morocco, I have noted that tribes which had not been able to take part were urgently asking to be included. The allowance paid to each worker, about 400 francs a day in Morocco and a similar amount in Tunisia, and therefore less than a true salary, is undoubtedly higher than the average income in these areas. It would, however, be feasible to reduce this allowance wherever the work clearly helps the peasants; in the province of Ouarzazate they have been satisfied merely with the free supply of the necessary equipment.

B. The shortage, and even the complete lack, of technicians has nowhere been an insurmountable obstacle. In the Southern provinces of Morocco and Tunisia the peasants, led by the local authorities, have succeeded in carrying out a host of cementing tasks so that the reduction in water losses has doubled the effectiveness of irrigation canals and small dams; orchards have been planted, slopes have been treated against erosion and land has been cleared and retimbered.

C. Such work, of undoubted economic value (in some cases output has been trebled), is only a small proportion of what should - and could be - done by this method.

In North Africa, the work on erosion prevention alone, the building of banks and tree-planting, would be sufficient to absorb all available labour for many years.

In Morocco, the area of land to be retimbered, protected and brought into production is generally estimated at about 3,000,000 hectares. So far, however, only 14,000 hectares a year have been dealt with. With 230,000 workers, 100,000 hectares, or even more, could be treated.

In the same country minor water projects could enable, by drainage, irrigation and proper use of rain water, 3,250,000 hectares to be improved and this would involve the employment of 260,000 workmen for 10 years.

These efforts are, however, only a part of the capital investment necessary to the country - investments which can be achieved by the people themselves.

Examination of Algerian and Tunisian data on the subject leads to similar conclusions.

D. Mistakes have been made. Above all they consist of work carried out, in certain provinces, on town-planning and the construction of roads of doubtful value. The shocked reaction of the peasants at such expenditures is itself significant. These mistakes can easily be corrected.

E. It has been easy to vary the numbers on construction work to fit in with the agricultural work, clearly demonstrating the feasibility of efficient use of seasonal unemployment.

F. I, personally, saw that the construction projects provided first class "on the job" training for prospective foremen and administrative assistants.

G. Extensive decentralisation has shown itself to be the key to success. It was thus that Tunisia carried out the biggest experiment. Morocco's unwillingness to delegate power to provincial and local authorities explains why her two experiments remained on a small scale.

H. In not hesitating to make her administration more flexible and by controlling the financial arrangements (reducing the allowances) Morocco could mobilise ten times as many men, or about a million, i.e. all the country's unemployed, for six months. Such a result could be achieved almost immediately, i.e. within a few months.

This general idea can be put into effect not only throughout North Africa (Algeria in particular), but also in the whole Mediterranean basin (a study on the subject in the Italian paper Mezzogiorno has further convinced me), the whole of Africa (experiments have been tried, but much too timidly), in Asia and in Latin America. In all these countries, indeed, huge numbers of unemployed are living alongside vast areas of waste land which could be transformed by the simplest forms of capital investment, using equipment already to hand.

IV. PARTICIPATION BY THE RICH COUNTRIES

The experiments which have been described show that the rich countries could make a very simple, low cost and effective contribution to this economic development.

Part of the remuneration for the construction workers in Morocco and Tunisia was in kind; a few kilogrammes of wheat or 1.6 kilogrammes of semolina.

This wheat and semoline, however, came from United States surpluses and had been made available to the Tunisian and Moroccan Governments which, instead of simply handing them out, "transformed" them into capital investments.

Why not make this procedure general? I propose that all existing surpluses (except where it is felt that they need to be kept in reserve against emergencies) be made available to Governments which undertake to use them in the mobilisation of labour forces for productive capital investment.

This method would give rise to the objections which are regularly produced against the use of the surpluses of the rich to feed the poor. This rush of surpluses would, however, not upset normal business because it would correspond to new requirements. The recipients would not be enticed away from personal effort, since such effort would, on the contrary, be the requirement for the allowance.

A contribution of this nature is not essential to the mobilisation of the available labour force; it would nevertheless provide very definite support to what is the prime requirement of economic development.

CONCLUSION

As the precursor of progress, the mobilisation of labour will not, of itself, solve all the problems of an insufficiently developed country. It does not do away with the need for training, for the elimination of privilege and for proper planning. It does, however, bring powerful support to a policy of economic development. Much more, this offer of work to a large number of unemployed will be an incitement to other reforms. Since fully effective use of manpower remains difficult as long as proper arrangements for full employment have not been made, this mobilisation makes a policy of increasing productivity possible. It brings out clearly the need for various reforms; it awakens the spirit of initiative and, through work in common, it lays the foundation of co-operation. The only individuals who can think of opposing this method are those leaders who rely on opposition to progress to maintain themselves in power. For this reason it is important that such an attitude should not be encouraged by the experts and scientists, but that these, on the contrary, should stress the feasibility of, and the need for, offering constructive work to all those who wish to improve their lot.

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